



Thursday, October 05, 2006

Back Print

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 20

Subject: Authorize award and execution of Amendment No. 2 to the 60-month service contract through the State of Texas Multiple Awards Schedule (TXMAS) with XEROX CORPORATION, Austin, TX, for the lease of multi-function business machines and maintenance services to increase the contract in an estimated amount not to exceed \$1,522,246.95, for a revised total estimated contract amount not to exceed \$2,821,047.45.

Amount and Source of Funding: Funding in the amount of \$365,339.27 is available in the Fiscal Year 2006-2007 Operating Budget of Austin Energy. Funding for the remaining 38 months of the original contract period is contingent upon approval of future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material
(click to open)
 Xerox TXMAS CONTRACT SUMMARY

For More Information: Kirk Holladay, Buyer I/322-6047

Purchasing Language: Contract Amendment.

Prior Council Action: 12/1/2005-Approved 60-month service contract.

On December 1, 2005, City Council approved a 60-month service contract for the provision, installation and maintenance of 43 multi-function machines at Town Lake Center (TLC) and 811 Barton Springs Rd, Austin Energy (AE) facilities. Amendment No. 1 was processed administratively to meet additional copier demands, by adding two additional machines.

This proposed Amendment No. 2 will increase the contract authorization by \$1,522,246.95 to cover expansion of the program to seven additional locations and to reflect current consumption of color copies, which are paid as used. Prior to the initial contract, the cost of color copies was not tracked separately. The costs associated with color copies can now be more accurately estimated based on actual usage to date.

These multi-function machines were originally installed as a pilot project at Town Lake Center and 811 Barton Springs Road. The project proved to be successful, and the remaining locations, which will be similarly equipped, are expected to realize savings proportional to the initial installations. During the first six months of the contract, Austin Energy realized an estimated cost avoidance of \$83,591.27. This calculation represents the cost of supplies to operate and maintain the Xerox multi-function machines versus the cost to operate and maintain the variety of machines previously in use by Austin Energy. Cost savings are estimated at \$.03 per print for black and white impressions, and \$.131 per print for color impressions.

One additional full-time Xerox representative is also included in this amendment.

This cooperative purchasing program is established by the Texas Building and Procurement Commission. It allows the City to use TXMAS contracts that have been developed from contracts that were competitively bid and awarded by the General Services Administration's Federal Supply Service.

AGENDA DATE: 10/05/2006

VENDOR NAME: XEROX CORPORATION

CONTRACT SUMMARY:

Description	Action	Amount
Original Contract	60-month service contract through the State of Texas Multiple Awards Schedule (TXMAS) with Xerox Corporation for the lease of multi-function business machines and maintenance services.	\$1,258,095.30
Amendment No. 1	Administrative increase to add two additional machines to the remaining lease of 54 months.	\$40,705.20
Proposed Amendment No.2	Cover additional cost increase of 34 additional machines and service agreement for the remaining lease of 50-months and reconcile color copy charges.	\$1,522,246.95
	Revised Total Contract Amount	\$2,821,047.45